

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Murray Analyst: Kimberly Pantoja Bill Number: SB 86

Related Bills: See Prior Analysis Telephone: 845-4786 Amended Date: 04/05/1999

Attorney: Pat Kusiak Sponsor:

SUBJECT: FTB Include Voter Registration Information In PIT Return Pamphlet Of Instructions

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO Support.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED December 7, 1998 STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

This bill would require the Franchise Tax Board (FTB) to provide voter registration information provided by the Secretary of State (SOS) to taxpayers by either:

- including an insert prepared by the Secretary of State containing voter registration information in the pamphlet of instructions that accompanies personal income tax returns; or
- providing space for the voter registration information in the pamphlet of instructions that accompanies personal income tax returns.

This bill also would require every state agency to continually make available voter registration cards in a conspicuous location in any office where the public regularly conducts business with the agency.

This bill also would make changes to various code sections not administered by the FTB.

SUMMARY OF AMENDMENT

The April 5, 1999, amendments defined "voter registration information" to mean a notice printed on either the envelope or an insert informing a recipient that he or she may obtain a voter registration card by calling the Secretary of State's toll-free voter registration telephone line. The notice also shall include the number for the toll-free line.

The amendments also deleted a requirement that the Secretary of State provide voter registration information to the State Compensation Fund, the Department of Industrial Relations, and any other state department or state elected official

Board Position:

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Department/Legislative Director

Date

Johnnie Lou Rosas

4/21/1999

responsible for payment of workers compensation benefits. In addition, those listed would no longer be required to include voter registration information in benefit checks. The amendments also made a technical change by deleting a reference to a repealed section. These changes do not affect the department.

Except for an implementation concern raised by the recent amendment and a change in board position, the department's analysis of the original bill as introduced December 7, 1998, still applies. Implementation and technical concerns are provided below.

Implementation Considerations

By its definition of "voter registration information," the Elections Code provision in this bill would require the Secretary of State to give the department a notice to print on the envelope which transmits the income tax instruction booklet or an insert to be placed in the booklet. However, the Revenue and Taxation Code provision in this bill allows the department either to include an insert or provide space in the instructions for the personal income tax returns. The department currently prints voter registration information in the text of the instruction booklet. The contradiction between the two provisions raises concerns over whether the department can continue to print the information in the text of the instruction booklet.

The paragraph of voter registration information that the department has currently included in the personal income tax booklets is 14 lines of text. The Revenue and Taxation Code provision of this bill specifies that the printed notice may "not exceed three lines in length, containing voter registration information provided by the Secretary of State." It is unclear whether the Secretary of State could provide these lines for the booklets, since the Elections Code provision specifies the Secretary must provide a notice for an envelope or insert. However, if the intent is still to allow the notice to appear in the text of the income tax instruction booklet, the SOS would need to condense the current information for next year's booklets to implement the bill as written. The author may wish to amend this requirement to allow the SOS more latitude.

Technical Considerations

As drafted, the bill could be interpreted to require the FTB to provide voter registration information to taxpayers by September of each year. Amendment 1 would clarify that the SOS shall provide the notice to the FTB no later than September of each year so that the FTB can include the notice in instruction booklets printed in October and November for distribution to taxpayers in January of the following year.

BOARD POSITION

Support.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to support this bill, as amended January 21, 1999.

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 86
As Amended April 5, 1999

AMENDMENT 1

On page 5, line 12, after "provided," insert:

to the Franchise Tax Board